

## SENATE BILL NO. 323

INTRODUCED BY GRIMES

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3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SCHOOL FINANCE LAWS; ~~PROVIDING FOR ANNUAL~~  
5 ~~INFLATION-RELATED ADJUSTMENTS TO THE BASE FUNDING PROGRAM AMOUNTS FOR SCHOOL~~  
6 ~~DISTRICT BASIC ENTITLEMENTS AND PER-ANB ENTITLEMENTS;~~ PROVIDING FOR ANNUAL  
7 INFLATION-RELATED ADJUSTMENTS TO THE BASE FUNDING PROGRAM AMOUNTS FOR SCHOOL  
8 DISTRICT BASIC ENTITLEMENTS AND PER-ANB ENTITLEMENTS; INCREASING THE BASIC AND TOTAL  
9 PER-ANB ENTITLEMENTS FOR PUBLIC SCHOOLS FOR SCHOOL FISCAL YEAR 2004 AND SUCCEEDING  
10 YEARS; PROVIDING AN ALTERNATIVE WAY TO CALCULATE ANB TO MINIMIZE THE EFFECT OF  
11 DECLINING ENROLLMENT; CHANGING THE WAY IN WHICH A SCHOOL DISTRICT OR SPECIAL  
12 EDUCATION COOPERATIVE CHARGES EMPLOYER CONTRIBUTIONS FOR RETIREMENT, SOCIAL  
13 SECURITY, AND UNEMPLOYMENT INSURANCE; ~~REQUIRING THAT TRANSFERS INTO AN INTERLOCAL~~  
14 ~~COOPERATIVE FUND MAY BE MADE ONLY FROM A SCHOOL DISTRICT GENERAL FUND OR THE STATE~~  
15 ~~SPECIAL EDUCATION GENERAL FUND APPROPRIATION;~~ TERMINATING THE COUNTYWIDE SCHOOL  
16 RETIREMENT BLOCK GRANTS; AMENDING SECTIONS 20-9-306; AND 20-9-501, ~~AND 20-9-703;~~ MCA,  
17 SECTION 245, CHAPTER 574, LAWS OF 2001, AND SECTION 26, CHAPTER 13, SPECIAL LAWS OF  
18 AUGUST 2002; AND PROVIDING EFFECTIVE DATES, APPLICABILITY DATES, AND A TERMINATION  
19 DATE."

20  
21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

22  
23 ~~NEW SECTION. SECTION 1. ANNUAL INFLATION-RELATED ADJUSTMENTS TO BASIC ENTITLEMENT AND~~  
24 ~~PER-ANB ENTITLEMENTS. (1) BEGINNING IN 2004, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL BY OCTOBER~~  
25 ~~1 OF EACH EVEN-NUMBERED YEAR CALCULATE THE INFLATION FACTORS FOR THE ENSUING BIENNIUM AS FOLLOWS:~~

26 ~~(A) FOR THE FIRST FISCAL YEAR OF THE ENSUING BIENNIUM, DIVIDE THE CONSUMER PRICE INDEX FOR JULY OF~~  
27 ~~THE PRIOR CALENDAR YEAR BY THE CONSUMER PRICE INDEX FOR JULY OF THE YEAR PRIOR TO THE PRIOR CALENDAR~~  
28 ~~YEAR; AND~~

29 ~~(B) FOR THE SECOND FISCAL YEAR OF THE ENSUING BIENNIUM, DIVIDE THE CONSUMER PRICE INDEX FOR JULY~~  
30 ~~OF THE CURRENT CALENDAR YEAR BY THE CONSUMER PRICE INDEX FOR JULY OF THE PRIOR CALENDAR YEAR.~~

1 ~~\_\_\_\_\_ (2) FOR THE PURPOSES OF THIS SECTION, "CONSUMER PRICE INDEX" MEANS THE CONSUMER PRICE INDEX, U.S.~~  
 2 ~~CITY AVERAGE, ALL URBAN CONSUMERS, FOR ALL ITEMS, USING THE 1982-84 BASE OF 100, AS PUBLISHED BY THE BUREAU~~  
 3 ~~OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR.~~

4  
 5 **NEW SECTION. SECTION 1. ANNUAL INFLATION-RELATED ADJUSTMENTS TO BASIC ENTITLEMENT AND**  
 6 **PER-ANB ENTITLEMENTS. (1) BEGINNING IN 2006, THE SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL BY OCTOBER**  
 7 **1 OF EACH EVEN-NUMBERED YEAR CALCULATE THE INFLATION FACTORS FOR THE ENSUING BIENNIUM AS FOLLOWS:**

8 (A) FOR THE FIRST FISCAL YEAR OF THE ENSUING BIENNIUM, DIVIDE THE CONSUMER PRICE INDEX FOR JULY OF  
 9 THE PRIOR CALENDAR YEAR BY THE CONSUMER PRICE INDEX FOR JULY OF THE YEAR PRIOR TO THE PRIOR CALENDAR  
 10 YEAR; AND

11 (B) FOR THE SECOND FISCAL YEAR OF THE ENSUING BIENNIUM, DIVIDE THE CONSUMER PRICE INDEX FOR JULY  
 12 OF THE CURRENT CALENDAR YEAR BY THE CONSUMER PRICE INDEX FOR JULY OF THE PRIOR CALENDAR YEAR.

13 (2) FOR THE PURPOSES OF THIS SECTION, "CONSUMER PRICE INDEX" MEANS THE CONSUMER PRICE INDEX, U.S.  
 14 CITY AVERAGE, ALL URBAN CONSUMERS, FOR ALL ITEMS, USING THE 1982-84 BASE OF 100, AS PUBLISHED BY THE BUREAU  
 15 OF LABOR STATISTICS OF THE U.S. DEPARTMENT OF LABOR.

16  
 17 **Section 2.** Section 20-9-306, MCA, is amended to read:

18 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following  
 19 definitions apply:

20 (1) "BASE" means base amount for school equity.

21 (2) "BASE aid" means:  
 22 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the  
 23 general fund budget of a district; and

24 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,  
 25 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and ~~up to~~ 40%  
 26 of the special education allowable cost payment.

27 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the  
 28 basic entitlement, 80% of the total per-ANB entitlement, and ~~up to~~ 140% of the special education allowable cost  
 29 payment.

30 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may

1 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through  
2 20-9-369.

3 (5) "BASE funding program" means the state program for the equitable distribution of the state's share  
4 of the cost of Montana's basic system of public elementary schools and high schools, through county  
5 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in  
6 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

7 (6) "Basic entitlement" means:

8 (a) ~~\$243,819~~ \$218,095 for each high school district;

9 (b) ~~\$19,244~~ \$19,629 for each elementary school district or K-12 district elementary program without an  
10 approved and accredited junior high school or middle school; and

11 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with  
12 an approved and accredited junior high school or middle school, calculated as follows:

13 (i) ~~\$19,244~~ \$19,629 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of  
14 kindergarten through grade 8; plus

15 (ii) ~~\$243,819~~ \$218,095 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten  
16 through grade 8.

17 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement  
18 for the general fund budget of a district and funded with state and county equalization aid.

19 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the  
20 basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:

21 (a) 175% of special education allowable cost payments; or

22 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures  
23 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a  
24 maximum allowable ratio of 200%.

25 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted  
26 that is above the BASE budget and below the maximum general fund budget for a district.

27 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations,  
28 USING THE GREATER OF THE CURRENT YEAR ANB OR 92% OF THE PRIOR YEAR ANB:

29 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,205~~ \$5,309  
30 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through

1 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

2 (b) for an elementary school district or a K-12 district elementary program without an approved and  
3 accredited junior high school or middle school, a maximum rate of ~~\$3,906~~ \$3,984 for the first ANB is decreased  
4 at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in  
5 excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

6 (c) for an elementary school district or a K-12 district elementary program with an approved and  
7 accredited junior high school or middle school, the sum of:

8 (i) a maximum rate of ~~\$3,906~~ \$3,984 for the first ANB for kindergarten through grade 6 is decreased  
9 at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of  
10 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

11 (ii) a maximum rate of ~~\$5,205~~ \$5,309 for the first ANB for grades 7 and 8 is decreased at the rate of 50  
12 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800  
13 receiving the same amount of entitlement as the 800th ANB."

14

15 **Section 3.** Section 20-9-306, MCA, is amended to read:

16 **"20-9-306. Definitions.** As used in this title, unless the context clearly indicates otherwise, the following  
17 definitions apply:

18 (1) "BASE" means base amount for school equity.

19 (2) "BASE aid" means:

20 (a) direct state aid for 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement for the  
21 general fund budget of a district; and

22 (b) guaranteed tax base aid for an eligible district for any amount up to 35.3% of the basic entitlement,  
23 up to 35.3% of the total per-ANB entitlement budgeted in the general fund budget of a district, and ~~up to~~ 40%  
24 of the special education allowable cost payment.

25 (3) "BASE budget" means the minimum general fund budget of a district, which includes 80% of the  
26 basic entitlement, 80% of the total per-ANB entitlement, and ~~up to~~ 140% of the special education allowable cost  
27 payment.

28 (4) "BASE budget levy" means the district levy in support of the BASE budget of a district, which may  
29 be supplemented by guaranteed tax base aid if the district is eligible under the provisions of 20-9-366 through  
30 20-9-369.

1 (5) "BASE funding program" means the state program for the equitable distribution of the state's share  
 2 of the cost of Montana's basic system of public elementary schools and high schools, through county  
 3 equalization aid as provided in 20-9-331 and 20-9-333 and state equalization aid as provided in 20-9-343, in  
 4 support of the BASE budgets of districts and special education allowable cost payments as provided in 20-9-321.

5 (6) "Basic entitlement" means:

6 (a) ~~\$213,819~~ \$220,276 for each high school district;

7 (b) ~~\$19,244~~ \$19,825 for each elementary school district or K-12 district elementary program without an  
 8 approved and accredited junior high school or middle school; and

9 (c) the prorated entitlement for each elementary school district or K-12 district elementary program with  
 10 an approved and accredited junior high school or middle school, calculated as follows:

11 (i) ~~\$19,244~~ \$19,825 times the ratio of the ANB for kindergarten through grade 6 to the total ANB of  
 12 kindergarten through grade 8; plus

13 (ii) ~~\$213,819~~ \$220,276 times the ratio of the ANB for grades 7 and 8 to the total ANB of kindergarten  
 14 through grade 8.

15 (7) "Direct state aid" means 44.7% of the basic entitlement and 44.7% of the total per-ANB entitlement  
 16 for the general fund budget of a district and funded with state and county equalization aid.

17 (8) "Maximum general fund budget" means a district's general fund budget amount calculated from the  
 18 basic entitlement for the district, the total per-ANB entitlement for the district, and the greater of:

19 (a) 175% of special education allowable cost payments; or

20 (b) the ratio, expressed as a percentage, of the district's special education allowable cost expenditures  
 21 to the district's special education allowable cost payment for the fiscal year that is 2 years previous, with a  
 22 maximum allowable ratio of 200%.

23 (9) "Over-BASE budget levy" means the district levy in support of any general fund amount budgeted  
 24 that is above the BASE budget and below the maximum general fund budget for a district.

25 (10) "Total per-ANB entitlement" means the district entitlement resulting from the following calculations,  
 26 USING THE GREATER OF THE CURRENT YEAR ANB OR 92% OF THE PRIOR YEAR ANB:

27 (a) for a high school district or a K-12 district high school program, a maximum rate of ~~\$5,205~~ \$5,362  
 28 for the first ANB is decreased at the rate of 50 cents per ANB for each additional ANB of the district up through  
 29 800 ANB, with each ANB in excess of 800 receiving the same amount of entitlement as the 800th ANB;

30 (b) for an elementary school district or a K-12 district elementary program without an approved and

1 accredited junior high school or middle school, a maximum rate of ~~\$3,906~~ \$4,024 for the first ANB is decreased  
 2 at the rate of 20 cents per ANB for each additional ANB of the district up through 1,000 ANB, with each ANB in  
 3 excess of 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

4 (c) for an elementary school district or a K-12 district elementary program with an approved and  
 5 accredited junior high school or middle school, the sum of:

6 (i) a maximum rate of ~~\$3,906~~ \$4,024 for the first ANB for kindergarten through grade 6 is decreased  
 7 at the rate of 20 cents per ANB for each additional ANB up through 1,000 ANB, with each ANB in excess of  
 8 1,000 receiving the same amount of entitlement as the 1,000th ANB; and

9 (ii) a maximum rate of ~~\$5,205~~ \$5,362 for the first ANB for grades 7 and 8 is decreased at the rate of 50  
 10 cents per ANB for each additional ANB for grades 7 and 8 up through 800 ANB, with each ANB in excess of 800  
 11 receiving the same amount of entitlement as the 800th ANB."

12

13 **Section 4.** Section 20-9-501, MCA, is amended to read:

14 **"20-9-501. Retirement costs and retirement fund.** (1) The trustees of a district or the management  
 15 board of a special education cooperative employing personnel who are members of the teachers' retirement  
 16 system or the public employees' retirement system or who are covered by unemployment insurance or who are  
 17 covered by any federal social security system requiring employer contributions shall establish a retirement fund  
 18 for the purposes of budgeting and paying the employer's contributions to the systems as provided in subsection  
 19 (2)(a). The district's or the cooperative's contribution for each employee who is a member of the teachers'  
 20 retirement system must be calculated in accordance with Title 19, chapter 20, part 6. The district's or the  
 21 cooperative's contribution for each employee who is a member of the public employees' retirement system must  
 22 be calculated in accordance with 19-3-316. The district's or the cooperative's contributions for each employee  
 23 covered by any federal social security system must be paid in accordance with federal law and regulation. The  
 24 district's or the cooperative's contribution for each employee who is covered by unemployment insurance must  
 25 be paid in accordance with Title 39, chapter 51, part 11.

26 (2) (a) The district or the cooperative shall pay the employer's contributions to the retirement, federal  
 27 social security, and unemployment insurance systems from the retirement fund for the following:

28 (i) a district employee whose salary and benefits are IS AND HEALTH-RELATED BENEFITS, IF ANY  
 29 HEALTH-RELATED BENEFITS ARE PROVIDED TO THE EMPLOYEE, ARE paid from the district's general fund STATE OR  
 30 LOCAL FUNDING SOURCES; and

1 (ii) a cooperative employee whose salary and benefits are IS AND HEALTH -RELATED BENEFITS, IF ANY  
 2 HEALTH-RELATED BENEFITS ARE PROVIDED TO THE EMPLOYEE, ARE paid from the cooperative's interlocal agreement  
 3 fund IF THE FUND IS SUPPORTED SOLELY FROM DISTRICTS' GENERAL FUNDS AND STATE SPECIAL EDUCATION ALLOWABLE  
 4 COST PAYMENTS PURSUANT TO 20-9-321; AND

5 (iii) A DISTRICT EMPLOYEE WHOSE SALARY IS AND HEALTH-RELATED BENEFITS, IF ANY HEALTH-RELATED BENEFITS  
 6 ARE PROVIDED TO THE EMPLOYEE, ARE PAID FROM THE DISTRICT'S SCHOOL FOOD SERVICES FUND PROVIDED FOR IN  
 7 20-10-204.

8 (b) For an employee whose salary and benefits are not paid from the general RETIREMENT fund or the  
 9 interlocal agreement fund, the district or the cooperative shall pay the employer's contributions to the retirement,  
 10 federal social security, and unemployment insurance systems from the fund FUNDING SOURCE that pays the  
 11 employee's salary and benefits.

12 ~~(2)~~(3) The trustees of a district required to make a contribution to a system referred to in subsection (1)  
 13 shall include in the retirement fund of the final budget the estimated amount of the employer's contribution. After  
 14 the final retirement fund budget has been adopted, the trustees shall pay the employer contributions to the  
 15 systems in accordance with the financial administration provisions of this title.

16 ~~(3)~~(4) When the final retirement fund budget has been adopted, the county superintendent shall  
 17 establish the levy requirement by:

18 (a) determining the sum of the money available to reduce the retirement fund levy requirement by  
 19 adding:

20 (i) any anticipated money that may be realized in the retirement fund during the ensuing school fiscal  
 21 year;

22 (ii) oil and natural gas production taxes;

23 (iii) coal gross proceeds taxes under 15-23-703;

24 (iv) countywide school retirement block grants distributed under section 245, Chapter 574, Laws of 2001;

25 (v) any fund balance available for reappropriation as determined by subtracting the amount of the  
 26 end-of-the-year fund balance earmarked as the retirement fund operating reserve for the ensuing school fiscal  
 27 year by the trustees from the end-of-the-year fund balance in the retirement fund. The retirement fund operating  
 28 reserve may not be more than 35% of the final retirement fund budget for the ensuing school fiscal year and  
 29 must be used for the purpose of paying retirement fund warrants issued by the district under the final retirement  
 30 fund budget.

1 (vi) any other revenue anticipated that may be realized in the retirement fund during the ensuing school  
2 fiscal year, excluding any guaranteed tax base aid.

3 (b) notwithstanding the provisions of subsection ~~(9)~~ (9), subtracting the money available for reduction  
4 of the levy requirement, as determined in subsection ~~(3)(a)~~ (4)(a), from the budgeted amount for expenditures  
5 in the final retirement fund budget.

6 ~~(4)~~(5) The county superintendent shall:

7 (a) total the net retirement fund levy requirements separately for all elementary school districts, all high  
8 school districts, and all community college districts of the county, including any prorated joint district or special  
9 education cooperative agreement levy requirements; and

10 (b) report each levy requirement to the county commissioners on the fourth Monday of August as the  
11 respective county levy requirements for elementary district, high school district, and community college district  
12 retirement funds.

13 ~~(5)~~(6) The county commissioners shall fix and set the county levy or district levy in accordance with  
14 20-9-142.

15 ~~(6)~~(7) The net retirement fund levy requirement for a joint elementary district or a joint high school  
16 district must be prorated to each county in which a part of the district is located in the same proportion as the  
17 district ANB of the joint district is distributed by pupil residence in each county. The county superintendents of  
18 the counties affected shall jointly determine the net retirement fund levy requirement for each county as provided  
19 in 20-9-151.

20 ~~(7)~~(8) The net retirement fund levy requirement for districts that are members of special education  
21 cooperative agreements must be prorated to each county in which the district is located in the same proportion  
22 as the special education cooperative budget is prorated to the member school districts. The county  
23 superintendents of the counties affected shall jointly determine the net retirement fund levy requirement for each  
24 county in the same manner as provided in 20-9-151, and the county commissioners shall fix and levy the net  
25 retirement fund levy for each county in the same manner as provided in 20-9-152.

26 ~~(8)~~(9) The county superintendent shall calculate the number of mills to be levied on the taxable property  
27 in the county to finance the retirement fund net levy requirement by dividing the amount determined in  
28 subsection ~~(4)(a)~~ (5)(a) by the sum of:

29 (a) the amount of guaranteed tax base aid that the county will receive for each mill levied, as certified  
30 by the superintendent of public instruction; and

1 (b) the taxable valuation of the district divided by 1,000.  
2 ~~(9)(10)~~ The levy for a community college district may be applied only to property within the district."  
3

4 ~~Section 4.~~ Section 20-9-703, MCA, is amended to read:

5 ~~"20-9-703. District as prime agency.~~ (1) When the prime agency is a district, it is authorized and  
6 required to establish a nonbudgeted interlocal cooperative fund for the purpose of the financial administration  
7 of the interlocal cooperative agreement. All revenues received, including federal, state, or other types of grant  
8 payments in direct support of the agreement and the financial support provided by cooperating agencies, shall  
9 be deposited in such fund. All financial Financial support of the agreement contributed by a district designated  
10 as the prime agency or by a cooperative agency may be transferred to the interlocal cooperative fund only from  
11 any fund maintained by such district by resolution of the trustees a district general fund or the state special  
12 education general fund appropriation. Any such transfer to the interlocal cooperative fund shall must be used  
13 to finance those expenditures under the agreement which that are comparable to those that are permitted by  
14 law to be made out of the fund from which the transfer was made and which are within the final budget for the  
15 fund from which the transfer was made the district general fund. No A transfer shall may not be made into the  
16 interlocal cooperative fund from the miscellaneous federal programs fund or from any other district fund without  
17 the express approval of the superintendent of public instruction:

18 ~~(2)~~ All expenditures in support of the interlocal cooperative agreement shall must be made from the  
19 interlocal cooperative fund or any other fund provided for in 20-7-457(5) that is established by the district which  
20 that is the prime agency, except that expenditures in support of such agreement may be made from the  
21 miscellaneous federal programs fund when the express approval of the superintendent of public instruction is  
22 given."  
23

24 **Section 5.** Section 26, Chapter 13, Special Laws of August 2002, is amended to read:

25 **"Section 26.** Section 245, Chapter 574, Laws of 2001, is amended to read:

26 **"Section 245. Countywide school retirement block grants.** (1) The office of public instruction shall  
27 distribute one-half of the amount appropriated for countywide school retirement in November and the remainder  
28 in May. The total amount for each county is as follows:

29	FY 2002	FY 2002	FY 2003	FY 2003
30	Elementary	High School	Elementary	High School

	Payment	Payment	Payment	Payment
1				
2	Beaverhead \$86,692	\$50,789	<del>\$87,351</del> <u>\$55,503</u>	<del>\$51,175</del> <u>\$41,981</u>
3	Big Horn 62,668	36,963	<del>63,144</del> <u>95,018</u>	<del>37,244</del> <u>33,837</u>
4	Blaine 61,160	10,193	<del>61,624</del> <u>46,318</u>	<del>40,271</del> <u>81,109</u>
5	Broadwater 0	92,686	0	<del>93,390</del> <u>34,949</u>
6	Carbon 43,451	82,110	<del>43,782</del> <u>72,602</u>	<del>82,734</del> <u>58,957</u>
7	Carter 9,751	5,453	<del>9,825</del> <u>8,478</u>	<del>5,495</del> <u>6,155</u>
8	Cascade 349,056	192,848	<del>351,709</del> <u>282,266</u>	<del>194,314</del> <u>142,282</u>
9	Chouteau 75,384	41,034	<del>75,957</del> <u>58,455</u>	<del>41,346</del> <u>29,474</u>
10	Custer 78,925	36,930	<del>79,525</del> <u>57,608</u>	<del>37,211</del> <u>32,128</u>
11	Daniels 0	37,994	0	<del>38,283</del> <u>36,083</u>
12	Dawson 85,568	38,722	<del>86,219</del> <u>64,693</u>	<del>39,016</del> <u>24,827</u>
13	Deer Lodge 39,980	17,059	<del>40,284</del> <u>34,455</u>	<del>17,189</del> <u>16,807</u>
14	Fallon 0	0	0	<del>0</del> <u>30,444</u>
15	Fergus 119,028	78,809	<del>119,932</del> <u>90,464</u>	<del>79,408</del> <u>55,527</u>
16	Flathead 558,861	296,410	<del>563,108</del> <u>530,274</u>	<del>298,662</del> <u>268,731</u>
17	Gallatin 383,035	181,743	<del>385,946</del> <u>537,244</u>	<del>183,125</del> <u>107,717</u>
18	Garfield 12,337	10,170	<del>12,431</del> <u>12,100</u>	<del>10,247</del> <u>4,620</u>
19	Glacier 79,924	34,016	<del>80,532</del> <u>106,815</u>	<del>34,275</del> <u>10,494</u>
20	Golden Valley 0	16,716	0	<del>16,843</del> <u>14,492</u>
21	Granite 14,074	48,026	<del>14,180</del> <u>12,523</u>	<del>48,391</del> <u>30,727</u>
22	Hill 142,867	82,538	<del>143,953</del> <u>59,593</u>	<del>83,165</del> <u>35,211</u>
23	Jefferson 116,679	59,523	<del>117,565</del> <u>143,901</u>	<del>59,976</del> <u>59,690</u>
24	Judith Basin 6,149	21,359	<del>6,196</del> <u>4,744</u>	<del>21,521</del> <u>30,198</u>
25	Lake 173,584	139,990	<del>174,903</del> <u>156,485</u>	<del>141,054</del> <u>103,365</u>
26	Lewis & Clark 344,112	211,726	<del>346,728</del> <u>370,958</u>	<del>213,335</del> <u>173,847</u>
27	Liberty 20,144	16,786	<del>20,297</del> <u>3,067</u>	<del>16,914</del> <u>31,953</u>
28	Lincoln 73,001	98,835	<del>73,556</del> <u>61,499</u>	<del>99,586</del> <u>87,710</u>
29	Madison 0	103,163	<del>0</del> <u>4,891</u>	<del>103,947</del> <u>19,788</u>
30	McCone 23,214	15,824	<del>23,390</del> <u>21,778</u>	<del>15,945</del> <u>14,004</u>

1	Meagher	13,654	10,678	<del>13,758</del> <u>9,250</u>	<del>10,759</del> <u>9,492</u>
2	Mineral	0	32,206	0	<del>32,451</del> <u>33,292</u>
3	Missoula	487,129	362,756	<del>490,832</del> <u>587,637</u>	<del>365,513</del> <u>357,669</u>
4	Musselshell	30,675	21,577	<del>30,908</del> <u>48,959</u>	<del>21,741</del> <u>41,250</u>
5	Park	154,192	81,696	<del>155,364</del> <u>135,256</u>	<del>82,317</del> <u>78,135</u>
6	Petroleum	0	16,897	0	<del>17,026</del> <u>9,510</u>
7	Phillips	10,502	95,084	<del>10,582</del> <u>103,747</u>	<del>95,806</del> <u>54,728</u>
8	Pondera	79,805	60,307	<del>80,411</del> <u>18,821</u>	<del>60,765</del> <u>47,629</u>
9	Powder River	18,815	15,011	<del>18,958</del> <u>0</u>	<del>15,125</del> <u>0</u>
10	Powell	69,695	22,666	<del>70,225</del> <u>71,420</u>	<del>22,838</del> <u>30,458</u>
11	Prairie	0	26,791	0	<del>26,995</del> <u>21,945</u>
12	Ravalli	85,333	169,769	<del>85,981</del> <u>2,062</u>	<del>171,059</del> <u>40,316</u>
13	Richland	83,671	30,302	<del>84,307</del> <u>15,500</u>	<del>30,533</del> <u>26,650</u>
14	Roosevelt	71,090	60,329	<del>71,630</del> <u>96,278</u>	<del>60,787</del> <u>61,038</u>
15	Rosebud	359,662	286,411	<del>362,395</del> <u>475,055</u>	<del>288,588</del> <u>126,246</u>
16	Sanders	203,863	127,694	<del>205,413</del> <u>197,286</u>	<del>128,665</del> <u>14,442</u>
17	Sheridan	0	46,231	0	<del>46,583</del> <u>47,628</u>
18	Silver Bow	249,821	141,541	<del>251,719</del> <u>193,304</u>	<del>142,617</del> <u>119,358</u>
19	Stillwater	91,487	75,926	<del>92,182</del> <u>91,185</u>	<del>76,503</del> <u>51,769</u>
20	Sweet Grass	36,996	36,327	<del>37,277</del> <u>24,214</u>	<del>36,603</del> <u>12,316</u>
21	Teton	57,760	41,547	<del>58,199</del> <u>45,217</u>	<del>41,863</del> <u>40,769</u>
22	Toole	43,323	51,399	<del>43,652</del> <u>36,109</u>	<del>51,790</del> <u>73,362</u>
23	Treasure	0	18,947	0	<del>19,091</del> <u>16,243</u>
24	Valley	15,824	90,532	<del>15,944</del> <u>10,558</u>	<del>91,220</del> <u>143,204</u>
25	Wheatland	20,946	12,103	<del>21,105</del> <u>15,031</u>	<del>12,195</del> <u>12,109</u>
26	Wibaux	0	14,585	0	<del>14,696</del> <u>25,103</u>
27	Yellowstone	1,125,488	643,136	<del>1,134,042</del> <u>1,070,887</u>	<del>648,024</del> <u>612,203</u>
28	Total	6,269,374	4,650,865	<del>6,317,022</del> <u>6,139,506</u>	<del>4,686,212</del> <u>3,723,973</u>

29           (2) ~~The average amount of the block grants in fiscal years 2002 and 2003 must be increased by 0.76%~~  
30 in fiscal year 2004 and in each succeeding fiscal year."

1  
 2 ~~NEW SECTION. SECTION 6. PERSONNEL RIGHTS PRESERVED. A SCHOOL DISTRICT OR A COOPERATIVE MAY~~  
 3 ~~CONTINUE TO PAY THE EMPLOYER'S CONTRIBUTIONS TO THE RETIREMENT, FEDERAL SOCIAL SECURITY, AND~~  
 4 ~~UNEMPLOYMENT INSURANCE SYSTEMS FROM THE RETIREMENT FUND FOR AN EMPLOYEE WHOSE SALARY IS WHOLLY OR~~  
 5 ~~PARTIALLY PAID FROM A FEDERAL FUNDING SOURCE ON [THE EFFECTIVE DATE OF THIS SECTION] UNTIL THE EMPLOYEE~~  
 6 ~~IS NO LONGER PAID FROM A FEDERAL FUNDING SOURCE.~~

7  
 8 NEW SECTION. SECTION 6. CODIFICATION INSTRUCTION. [SECTION 1] IS INTENDED TO BE CODIFIED AS AN  
 9 INTEGRAL PART OF TITLE 20, CHAPTER 9, PART 3, AND THE PROVISIONS OF TITLE 20, CHAPTER 9, PART 3, APPLY TO  
 10 [SECTION 1].

11  
 12 NEW SECTION. Section 7. Effective dates -- applicability. (1) [SECTION 1] IS EFFECTIVE JULY 1, 2005.

13 ~~(1)(2)~~ [Section ~~4-2-2~~] is effective on passage and approval and applies to school budgets for the  
 14 school fiscal year beginning July 1, 2003.

15 ~~(2)(3)~~ [Section ~~2-3-3~~] is effective July 1, 2004, and applies to school budgets for the school fiscal years  
 16 beginning on or after July 1, 2004.

17 ~~(3)(4)~~ [Sections ~~3 through 5 and 7 1, 4 THROUGH 6, AND 8 3, 4, AND 6 4 THROUGH 6 AND 8~~ and this section]  
 18 are effective on passage and approval.

19  
 20 NEW SECTION. Section 8. Termination. [Section ~~4-2-2~~] terminates June 30, 2004.

21 - END -